



**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Issued by the Department of Transportation
on the 2nd day of December, 2002

Essential air service at

MELBOURNE, FLORIDA

under 49 U.S.C. 41731 *et seq.*

Served: December 6, 2002

Docket OST-2002-13794

**ORDER ALLOWING SUSPENSION OF SERVICE
AND GRANTING EXEMPTION REQUEST**

Background

On November 6, 2002, Gulfstream International Airlines, Inc., d/b/a Continental Connection, filed a 90-day notice of intent to suspend its scheduled service at Melbourne, Florida, as of February 4, 2003, and requested an exemption allowing it to suspend service on shorter notice, as of November 27, 2002. Gulfstream operates two daily nonstop round trips to Tampa with 19-seat Beech 1900 aircraft, except on Fridays, when it operates three flights, and on Saturdays, when it operates one flight.¹

Melbourne also receives scheduled service from other carriers, most of it operated with jets. Delta Air Lines, Inc., operates three daily nonstop round trips to Atlanta with MD-80 jets, and Sky West Airlines, Inc., d/b/a Delta Connection, provides three daily nonstop round trips to Atlanta with Canadair Regional Jets. Comair, Inc., d/b/a Delta Connection, offers two nonstop round trips each week to Cincinnati with CRJs. And finally, Vintage Props & Jets, Inc., operates one daily nonstop round trip to Orlando and one to Daytona Beach, as well as some service to the Bahamas, with 9-seat Beech King Airs.

Essential Air Service Determination

Melbourne's essential air service determination, as last established by Order 83-9-45, September 9, 1983, required at least two daily round trips to Atlanta (nonstop), plus at least two round trips each weekday and weekend to either Miami (one intermediate stop), Tampa (nonstop) or Orlando (nonstop), providing a total of 67 daily inbound and outbound seats.²

¹ See the Appendix for a map.

² Order 83-9-45 established Melbourne's seat guarantee at 62, based on capacity sufficient to accommodate 40 enplanements a day at a 65-percent load factor: $40/65 = 62$. However, the Airport and Airway Safety and Capacity Expansion Act of 1987, P.L. 100-223, subsequently changed the load-factor standard from 65 to 60 percent, and Melbourne's guarantee thus became 67 seats: $40/60 = 67$.

Community Response

In a letter dated November 20, 2002, the Melbourne International Airport Authority states that it does not object to Gulfstream's exemption request, and is willing to allow the carrier to suspend service as of December 4, 2002.

Decision

We will allow Gulfstream to suspend service at Melbourne as of December 4. The Melbourne community is amenable to Gulfstream's early suspension of service on that date.

Melbourne will continue to receive abundant service from other carriers. However, we could not require Gulfstream to maintain service at Lafayette beyond the end of the 90-day notice period in any event. We are statutorily prohibited from paying subsidy to support essential air service at communities that do not meet certain eligibility criteria, including communities located within 70 highway miles of a large or medium hub. Melbourne is 58 highway miles from Orlando International Airport, a large hub.³ Because we are prohibited from paying subsidy for Gulfstream's service, we have no authority to require the carrier to continue service.

Before Gulfstream suspends service, we expect it to contact all passengers who hold reservations for flights that will be suspended, to inform them of the suspension and the availability of other services at the community, and to assist them in arranging alternate transportation.

This order is issued under authority delegated in 49 CFR 1.56a(f).

ACCORDINGLY,

1. We grant the request of Gulfstream International Airlines, Inc., d/b/a Continental Connection, for an exemption from the 90-day notice period required by 49 U.S.C. 41734(a) to the extent necessary to allow it to suspend service at Melbourne, Florida, as of December 4, 2002;
2. We will rely on the scheduled air services of Comair, Inc., d/b/a Delta Connection; Delta Air Lines, Inc.; and SkyWest Airlines, Inc., d/b/a Delta Connection, to meet the essential air service requirements of Melbourne, Florida;
3. This docket will remain open until further order of the Department; and
4. We will serve copies of this order on the mayor and airport manager of Melbourne, Florida; Gulfstream International Airlines, Inc., d/b/a Continental Connection; Comair, Inc., d/b/a Delta

³ As reported by the Bureau of Transportation Statistics in its annual publication, *Airport Activity Statistics of Certificated Route Carriers*, hub classifications are based on each hub's enplanements as a percentage of all U.S. enplanements. A large hub accounts for at least 1.00 percent, a medium hub for at least 0.25 but less than 1.00 percent, and a small hub for at least 0.05 but less than 0.25 percent. During calendar year 2001, the most recent year for which data are available, Orlando accounted for 2.11 percent of all U.S. enplanements.

Connection; Delta Air Lines, Inc.; SkyWest Airlines, Inc., d/b/a Delta Connection; and Vintage Props & Jets, Inc.

By:

READ C. VAN DE WATER
Assistant Secretary for Aviation
and International Affairs

(SEAL)

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